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UniSourceEnergy
SERVICES

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AZ CORP COMMISSION
DOCUMENT CONTROL

February 27, 2004

The Honorable Jeff Hatch-Miller
Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Re: In the Matter of UNS Gas, Inc. and Citizens Communications Company-
Filing For Approval of Purchased Gas Adjustor Surcharge
(Docket No. G-01032E-03-0515)

Dear Commissioner Hatch-Miller:

This letter will supplement my letter to you of February 25, 2004 regarding customers who spoke at the Prescott meeting and indicated they had experienced increases of over 100 % in their winter season gas bills.

Three additional customers were identified - Mr. Hansen, Mr. Protesto and Mr. Gray. The bill comparison sheets for Mr. Hansen and Mr. Protesto are enclosed.

The third customer identified was Mr. Gray of 923 1/2 Fair Street in Prescott. Mr. Gray lives in a mobile home park that is serviced by UES through a master meter. The landlord reads the meter and submits the bill to Mr. Gray for payment. This arrangement was confirmed by Mr. Gray in his comments at the open meeting. As a result, UES is unable to perform a year to year account analysis. We will continue to work with Mr. Gray as to any possible energy savings solutions for his residence.

As a result of your request, we have now completed an analysis of all seven of the Prescott customers who stated they had bill increases in excess of 100 %.

Arizona Corporation Commission

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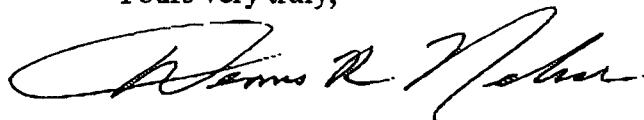
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We are available to provide additional information on any of these customer accounts as you may request.

Yours very truly,



Dennis R. Nelson
Senior Vice President and
Chief Operating Officer

Original and 13 copies filed this 1st day
of ~~February~~, 2004 with:
MARCH

Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing hand-delivered/mailed
this 1st day of ~~February~~, 2004 to:
MARCH

Chairman Marc Spitzer
Commissioner William A. Mundell
Commissioner Mike Gleason
Commissioner Kristin Mayes

Ernest G. Johnson, Utilities Division Director

Jack Protesto
 Holiday Laundry
 627 E. Moeller St.
 Prescott AZ
 Account # 421549

Year	Days of Service	Therms Billed	Month	Rate Billed per Therm	Total Billed
2004	35	1071	February		
			Customer Charge		\$11.00
			Basic Cost of Service	\$0.6420	\$687.58
			PGA Cost	\$0.1262	\$135.16
			PGA Surcharge	\$0.1155	\$123.70
			Taxes & Assessments		\$100.97
				\$0.8837	\$1,058.41
2004	29	809	January		
			Customer Charge		\$11.00
			Basic Cost of Service	\$0.6420	\$519.38
			PGA Cost	\$0.1043	\$84.38
			PGA Surcharge	\$0.1155	\$93.44
			Taxes & Assessments		\$74.71
				\$0.8618	\$782.91
2003	27	785	December		
			Customer Charge		\$11.00
			Basic Cost of Service	\$0.6420	\$503.97
			PGA Cost	\$0.0729	\$57.23
			PGA Surcharge	\$0.1155	\$90.67
			Taxes & Assessments		\$69.90
				\$0.8304	\$732.77

PGA Surcharge Therm Usage Threshold limits:

December	117
January	154
February	134
March	121

Mr. Protesto's laundry is a small commercial account, therefore not eligible for the PGA Surcharge Therm Usage Threshold.

Mr. Protesto became the responsible account holder for this service address on 9-2-2003.

Consumption history for the prior account holder for the same time frame last year is listed for your comparison.

Year	Days of Service	Therms Billed	Month	Rate Billed per Therm	Total Billed
2003	33	1098	February		
			Customer Charge		\$0.00
			Basic Cost of Service	\$0.3838	\$0.00
			PGA Cost	\$0.1174	\$0.00
			PGA Surcharge	\$0.0000	\$0.00
			Taxes & Assessments		\$0.00
				\$0.5012	\$0.00
2003	34	901	January		
			Customer Charge		\$0.00
			Basic Cost of Service	\$0.3838	\$0.00
			PGA Cost	\$0.1174	\$0.00
			PGA Surcharge	\$0.0000	\$0.00
			Taxes & Assessments		\$0.00
				\$0.5012	\$0.00
2002	25	778	December		
			Customer Charge		\$0.00
			Basic Cost of Service	\$0.3838	\$0.00
			PGA Cost	\$0.2216	\$0.00
			PGA Surcharge	\$0.0000	\$0.00
			Taxes & Assessments		\$0.00
				\$0.6054	\$0.00

Leon Hansen
1575 Range Rd
Prescott AZ
Account # 186676

Year	Days of Service	Therms Billed	Month	Rate Billed per Therm	Total Billed
2004	30	118	February		
			Customer Charge		\$7.00
			Basic Cost of Service	\$0.7004	\$82.65
			PGA Cost	\$0.1262	\$14.89
			PGA Surcharge	\$0.1155	\$13.63
			Taxes & Assessments		\$12.51
				\$0.9421	\$130.68
2004	29	120	January		
			Customer Charge		\$7.00
			Basic Cost of Service	\$0.7004	\$84.05
			PGA Cost	\$0.1043	\$12.52
			PGA Surcharge	\$0.1155	\$13.86
			Taxes & Assessments		\$12.44
				\$0.9202	\$129.87
2003	29	82	December		
			Customer Charge		\$7.00
			Basic Cost of Service	\$0.7004	\$57.43
			PGA Cost	\$0.0729	\$5.98
			PGA Surcharge	\$0.1155	\$9.47
			Taxes & Assessments		\$8.45
				\$0.8888	\$88.33

PGA Surcharge Therm Usage Threshold limits:

December	117
January	154
February	134
March	121

Mr. Hansen's bill amount increase in excess of 100 % from February 2003 to February 2004 is due to a combination of rate increase, PGA cost, PGA surcharge and his increased usage over February 2003.

Year	Days of Service	Therms Billed	Month	Rate Billed per Therm	Total Billed
2003	28	94	February		
			Customer Charge		\$5.00
			Basic Cost of Service	\$0.4414	\$41.49
			PGA Cost	\$0.1174	\$11.04
			PGA Surcharge	\$0.0000	\$0.00
			Taxes & Assessments		\$6.04
				\$0.5588	\$63.57
2003	31	120	January		
			Customer Charge		\$5.00
			Basic Cost of Service	\$0.4414	\$52.97
			PGA Cost	\$0.1174	\$14.09
			PGA Surcharge	\$0.0000	\$0.00
			Taxes & Assessments		\$7.57
				\$0.5588	\$79.63
2002	32	100	December		
			Customer Charge		\$5.00
			Basic Cost of Service	\$0.4414	\$44.14
			PGA Cost	\$0.2216	\$22.16
			PGA Surcharge	\$0.0000	\$0.00
			Taxes & Assessments		\$7.49
				\$0.6630	\$78.79